Washington State House of Representatives Office of Program Research

BILL ANALYSIS

Higher Education Committee

HB 2381

Brief Description: Ensuring the quality of degree-granting institutions of higher education.

Sponsors: Representatives Kenney, Cox, Fromhold, Chase, Miloscia, Morrell and Moeller.

Brief Summary of Bill

- Adds a requirement for accreditation or progress toward accreditation to the requirements for authorizing private degree-granting institutions.
- Directs the Higher Education Coordinating Board (HECB) to develop consumer protection information regarding unauthorized and substandard degree-granting institutions.
- Requires periodic review of institutions previously exempted from degree-granting rules.
- Clarifies provisions regarding the cost of the HECB investigations of degree-granting institutions, and regarding exemptions for institutions offering seminars, workshops, and non-credit bearing courses.

Hearing Date: 1/21/04

Staff: Sydney Forrester (786-7120).

Background:

<u>Degree Authorization and Accreditation</u>: A private or out-of-state institution of higher education may not grant or offer to grant a degree unless the HECB has authorized the institution for operation in Washington. Although some private institutions are exempt, the HECB rules apply generally to any institution with a presence in Washington that offers educational credentials, instruction, or services prerequisite to, or indicative of, an academic or professional degree beyond the high school level.

In its review of private institutions seeking authorization to operate in Washington, the HECB examines various documents and interviews the institution's officials. In order to ensure an institution has appropriate policies, staffing, infrastructure, and support to offer the degrees they claim to offer, the HECB has established standards for review related to: administration; academic programs; faculty; support services; and financial stability. Audited financial statements are required every two years for reauthorization.

Accreditation is a process used in some states consisting of peer review of an institution's curricula, instructional support, and finances. Accrediting bodies may rely on self-study or self-reporting by the institution under review. Most public and private institutions seek accreditation, and the United States Department of Education (USDOE) maintains a list of approved accrediting agencies. Although Washington currently does not require an institution to be accredited in order to obtain authorization, all but two authorized institutions are accredited. The two non-accredited institutions currently are in the process of seeking accreditation.

Substandard and Unauthorized Degree-Granting Institutions: The HECB is charged with adopting minimum standards and necessary measures to protect the public from substandard and fraudulent or deceptive practices. The HECB authority to investigate complaints extends to any institution the Board reasonably believes is subject to its jurisdiction, including any institution: 1) offering degree programs or courses for credit at a physical location in Washington; 2) maintaining a server for a distance learning program in Washington; or 3) recruiting or advertising to Washington residents. This includes institutions advertising to Washington residents via the internet and institutions who list a Washington telephone or post office box.

Unauthorized internet-based institutions that offer degrees with little or no post-secondary level academic work present significant enforcement challenges because of the difficulty of identifying and locating the responsible entities. The substandard practices of these institutions also implicate consumer protection concerns for both students and the general public.

Summary of Bill:

The HECB is directed to include accreditation or progress toward accreditation as a requirement for private degree-granting higher education institutions to operate in Washington. The accrediting agency must be one recognized by the USDOE.

The HECB also is directed to develop information for the public regarding the substandard and potentially fraudulent practices of institutions that sell or award degrees without requiring adequate and appropriate post-secondary course work.

Existing exemptions are declared nonpermanent and the HECB is directed to periodically review exempt degree-granting institutions. An exemption will be continued only if the institution continues to qualify based on the criteria for exemption in effect at the time of review.

A clarification is made that the cost of inspecting institutions under the HECB's jurisdiction must be borne by the institution. Further clarification is made regarding exemptions for institutions that offer only credit-bearing seminars or workshops lasting three of fewer days or that offer only noncredit-bearing seminars and workshops..

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.